

**Actuarial Report  
Medicaid & SCHIP Reform Waiver's Benefit Floor  
Department of Social and Health Services  
Medical Assistance Administration  
State of Washington**

Milliman USA, Inc. (Milliman) has been commissioned by the State of Washington Department of Social and Health Services Medical Assistance Administration (MAA) to prepare an actuarial report with respect to the actuarial value of coverage of the benchmark plan and SCHIP/HIFA basic services selected by MAA and the actuarial value of coverage offered under the Medicaid & SCHIP Reform waiver's "benefit floor" for its Medicaid program. This benefit package is based on the Basic Health (BH) Program administered by the Health Care Authority. The purpose of the actuarial memorandum is to demonstrate consistency with the requirements set forth in Title XXI of the Social Security Act in order to adjust benefits for Title XIX. Specifically, this report has been prepared to illustrate that the proposed coverage has aggregate actuarial value equivalent to or better than the value of the benchmark package. This memorandum may not be appropriate for other purposes.

**I. BENCHMARK BENEFIT PACKAGE**

The benefit packages selected by MAA for determination of actuarial equivalency are the Uniform Medical Plan (UMP) and the Basic Services Plan (Basic) specified in Title XXI and the HIFA demonstration initiative. The UMP is a health benefits coverage plan that is administered by the state's Health Care Authority and generally available to state employees in the State of Washington. The UMP is a PPO plan. We assumed 90% in-network participation. A summary of the benefits provided under the UMP plan is provided in Appendix A. A summary of the benefits provided under the Basic plan is provided in Appendix B.

**II. MEDICAID & SCHIP REFORM WAIVER'S BENEFIT FLOOR**

MAA has chosen the Basic Health (BH) Program's benefit design with additional coverages for therapies as the "benefit floor" for its Medicaid & SCHIP Reform Waiver. The BH has been valued with no cost sharing. For illustrative purposes, the BH has also been valued with the state's SCHIP cost sharing. While the pre-existing condition clause will be removed from the BH for Medicaid beneficiaries, it has been retained in the calculation of aggregate actuarial values. The reason for retaining the clause in the evaluation is the Title XXI guideline that asks that the analysis be performed without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used. A summary of the benefit provided under the BH is provided in Appendix C.

### III. DETERMINATION OF ACTUARIAL VALUES

#### A. METHOD

Actuarial cost models were developed for the benchmark benefit packages and the proposed benefit packages. These cost models provide the net projected per member per month cost of benefits. The models were developed using the *Milliman Health Cost Guidelines*<sup>TM</sup> (HCGs) as the standard utilization basis for the calculation of actuarial equivalency. The HCGs are an internal Milliman resource developed through research that provide standardized utilization rates and adjustment factors to reflect geographic area, demographics, and covered services. As required, the cost models were developed without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used. The assumptions used in the actuarial analysis of the benchmark plans are the same as those used in the analysis of the proposed plans. The assumptions have been used consistently throughout the actuarial analysis.

#### B. ASSUMPTIONS

##### Utilization Factors

Utilization factors in the actuarial cost models were developed using the HCGs with adjustments to reflect the benefit plan design, age and gender demographics, and geographic region. The HCGs starting utilization factors were adjusted to reflect the geographic region of the State of Washington. The geographic region adjustment was required since the starting factors are nationwide average values.

##### Price Factors

The price factors were developed based on average commercial reimbursement, discounted by 50% to approximate Medicaid reimbursement rates. Prescription drugs were discounted by a lesser amount to reflect typical marketplace savings. This basis was chosen as the standardized set of pricing assumptions.

##### Cost Sharing

Cost sharing amounts, including copays, coinsurance and deductibles, are used to reduce the price factors, where applicable.

##### Age/Gender Adjustments

The age and gender factors for both the benchmark plans and the proposed plans reflect the utilization of a standardized commercial population with an age/gender mix equal to the state's Medicaid managed care (Healthy Options) population. Appendix D contains the distribution of members assumed in the model.

### Actuarial Cost Models

Appendix E contains the actuarial cost models for the benchmark benefit packages and the proposed benefit packages. The actuarial cost models provide the projected annual utilization rates per thousand, average charge, values of copays and coinsurance, and net claim cost by service category. The net claim costs are based on a July 1, 2001 claim date.

## IV. ACTUARIAL EQUIVALENCY

The cost models shown in Appendix E illustrate the net claim cost per member per month for the benchmark benefit plans and the proposed plans. As shown in Table 1, the actuarial value of the proposed Benefit Floor plans is much greater than the UMP benchmark or Basic plans.

Table 1

STATE OF WASHINGTON  
MEDICAL ASSISTANCE ADMINISTRATION  
Summary of Aggregate Actuarial Value  
Per Member Per Month Value (PMPM)

Plan	PMPM Value
UMP – Benchmark Plan 1	\$42.11
Basic Services – Benchmark Plan 2	\$45.35
Benefit Floor w/o Cost Sharing – Proposed Plan 1	\$64.53
Benefit Floor w/ SCHIP Cost Sharing – Proposed Plan 2	\$58.71

## V. CERTIFICATION

I, Timothy S. Barclay, am an Actuary with the firm of Milliman USA, Inc. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. The report has been prepared in accordance with the principles and standards of the Actuarial Standards Board of the American Academy of Actuaries. I was retained by the State of Washington Department of Social and Health Services Medical Assistant Administration to render an opinion on the actuarial value of coverage of the benchmark benefit packages and the proposed benefit packages. I meet the qualification standards set forth in Title XXI for rendering such an opinion.

In my opinion, the benefit floor equivalent coverage proposed by the State of Washington in the form of BH (with therapies, with or without SCHIP cost sharing) meets the following requirements:

1. The coverage includes benefits for items and services within each of the categories of basic services described in Section 2103(c)(1) of the Social Security Act.
2. The coverage has an aggregate actuarial value that is at least actuarially equivalent to the State employee benefit plan (UMP) and the Basic Services Plan.
3. With respect to each of the categories of additional services described in Section 2103(c)(2) of the Social Security Act for which coverage is provided by the proposed plan, the coverage has an actuarial value that is equal to at least 75% of the actuarial value of the coverage of that category of services in the State employee benefit plan (UMP) and the Basic Services Plan.
4. The analysis was prepared using generally accepted actuarial principles and methodologies.
5. The analysis used a standardized set of utilization and price factors.
6. The analysis used a standardized population that is representative of the expected population to be covered under the proposal.
7. The analysis used the same principles and factors in comparing the value of different coverage.
8. The analysis was performed without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used.
9. The analysis took into account the ability of the State to reduce benefits by taking into account the increase in actuarial value of benefits coverage offered under the proposed plan that results from the limitations on cost sharing under such coverage.

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Date

**Appendix A**  
**Uniform Medical Plan**

**Schedule of In-Network and Out-of-Network Benefits**

**Annual medical/surgical deductible:** \$200/person, \$600/family for preferred, non-preferred, and out-of-area providers.

**Annual prescription drug deductible:** \$100/person, \$300/family for participating, nonparticipating, and out-of-area pharmacies. This is a combined retail and home delivery (mail-order) deductible and is separate from the annual medical/surgical deductible.

**Annual medical/surgical out-of-pocket limit:** \$1,125/person, \$2,250/family for preferred and out-of-area providers.

**Lifetime maximum:** The total amount the UMP will pay for any enrollee is \$1,000,000.

**Chemical dependency limit:** \$10,680 per 24 months for Inpatient and Outpatient.

**Mental health limit:** 10 Inpatient day max/year; 20 outpatient visit max/year.

**Therapy limit:** 60-days inpatient; 60 treatments outpatient.

**Out-of-area benefit:** 80%.

<b>Benefits</b>	<b>In-Network Benefit</b>	<b>Out-of-Network Benefit</b>
<b>Inpatient Hospital Services</b>	100% after \$200 copay/day; \$600 max copay/year	60%
<b>Outpatient Hospital &amp; Ambulatory Services</b>	90%	60%
<b>Ambulance</b>	80%	80%
<b>Physician Services &amp; Supplies</b> (including limited alternative care providers)	90%	60%
<b>Preventive Care, Well-Baby Care, &amp; Family Planning</b>	100%	60%
<b>Emergency Room</b>	90% after \$75 copay	80% after \$75 copay
<b>Home Health Care</b>	90%	60%
<b>Prescription Drug</b> <ul style="list-style-type: none"> <li>Retail: 80% Generic / 70% Single-Source Brand / 50% Multi-Source Brand. Maximum coinsurance of \$75/prescription.</li> <li>Home delivery (mail order): Copays are \$5 Generic / \$30 Single-Source Brand / \$40 Multi-Source Brand.</li> </ul>		

**Appendix B  
Basic Services Plan  
Schedule of Benefits**

<b>Benefits</b>
<b>Inpatient and Outpatient Hospital Services</b>
<b>Physicians' surgical and medical services</b>
<b>Laboratory and x-ray services;</b>
<b>Well-Baby and Well-child care, including age appropriate immunizations</b>
<b>Family Planning</b>

<b>Excluded Benefits</b>
<b>Outpatient Psychiatric and Substance Abuse</b>
<b>Allergy Testing</b>
<b>Vision, Hearing and Speech Exams</b>
<b>Chiropractic</b>
<b>Podiatry</b>
<b>Prescription Drugs</b>
<b>Home Health</b>
<b>Ambulance</b>
<b>DME/Prosthetics</b>
<b>Glasses/Contacts</b>
<b>Alternative Medicine</b>

**Appendix C**  
**Basic Health Program's**  
**Schedule of Benefits**

**Annual deductible/coinsurance:** None

**Out-of-network / out-of-area benefit:** None, except for emergency care.

**Chemical dependency limit:** Coverage limited to \$5,000 every 24 months with a \$10,000 lifetime maximum.

**Mental health limit:** Coverage limited to 10 Inpatient Days and 12 Outpatient Visits.

<b>Benefits</b>	<b>SCHIP Cost Sharing</b>
<b>Inpatient Hospital Services</b>	No copay
<b>Outpatient Hospital &amp; Ambulatory Services</b>	No copay
<b>Emergency Room</b>	\$25 copay
<b>Ambulance</b>	No copay
<b>Physician Services &amp; Supplies</b>	\$5 per office or home visit
<b>Preventive Care, Well-Baby Care, &amp; Family Planning</b>	No copay
<b>Maternity Care</b>	No copay
<b>Pharmacy</b>	\$5 copay

**Appendix D**  
**Department of Social and Health Services**  
**Medical Assistance Administration**  
**State of Washington**

**Distribution of Healthy Options Population**

<u>Age Bracket</u>	<u>Membership</u>
<b>Adult Male</b>	
< 25	1.43%
25-29	3.02%
30-34	2.54%
35-39	2.07%
40-44	1.29%
45-49	0.58%
50-54	0.21%
55-59	0.06%
60-64	0.02%
65+	0.00%
<b>Adult Female</b>	
< 25	0.20%
25-29	0.61%
30-34	0.70%
35-39	0.68%
40-44	0.54%
45-49	0.31%
50-54	0.15%
55-59	0.07%
60-64	0.02%
65+	0.00%
<b>Children</b>	
0-1	11.52%
2-6	25.08%
7-18	45.66%
19-22	3.23%
<b>Total</b>	<b>100.00%</b>



Appendix E - 1  
**State of Washington Medical Assistance Administration - Actuarial Equivalency**  
**Uniform Medical Plan (In-Network Benefits)**  
**Estimated Medical Cost as of July 1, 2001**

<b>Benefit</b>	<b>Utilization Per 1,000</b>	<b>Allowed Average Charge</b>	<b>Per Member Per Month Claim Cost</b>	<b>Copay</b>	<b>Per Member Per Month Cost Sharing Value</b>	<b>Per Member Per Month Net Claim Cost</b>
Hospital Inpatient						
Medical	61 Days	\$976.82	\$4.97	\$201.64	\$0.34	\$4.63
Surgical	40 Days	1,614.77	5.35	201.64	0.18	5.17
Psychiatric	10 Days	426.38	0.34		0.00	0.34
Alcohol & Drug Abuse	5 Days	308.04	0.12	201.64	0.01	0.11
Maternity	3.1 Days	1,042.26	0.27	201.64	0.03	0.24
Skilled Nursing Care	1 Days	264.62	0.02	201.64	0.00	0.02
	119 Days		\$11.07		\$0.56	\$10.51
Hospital Outpatient						
Emergency Room	134 Cases	\$137.38	\$1.53	\$50.00	\$0.56	\$0.97
Surgery	52 Cases	682.63	2.98		0.00	2.98
Radiology	85 Cases	247.50	1.76		0.00	1.76
Laboratory	92 Cases	80.11	0.62		0.00	0.62
Pharmacy and Blood	159 Services	30.53	0.40		0.00	0.40
Cardiovascular	65 Services	54.39	0.29		0.00	0.29
PT/OT/ST	22 Services	40.52	0.08		0.00	0.08
Other	55 Services	97.23	0.45		0.00	0.45
Maternity Non-Delivery	0.9 Cases	311.84	0.02		0.00	0.02
			\$8.13		\$0.56	\$7.57
Physician						
Inpatient Surgery	17 Proced.	\$712.64	\$1.04		\$0.00	\$1.04
Outpatient Surgery	272 Proced.	148.63	3.36		0.00	3.36
Anesthesia	37 Proced.	237.05	0.73		0.00	0.73
Inpatient Visits	116 Visits	67.82	0.66		0.00	0.66
Office/Home Visits	3,109 Visits	25.49	6.60		0.00	6.60
Urgent Care Visits	80 Visits	40.56	0.27		0.00	0.27
Consults	80 Consults	87.03	0.58		0.00	0.58
Emergency Room Visits	99 Visits	69.90	0.58		0.00	0.58
Immunizations & Injections	1,341 Proced.	21.26	2.37		0.00	2.37
Allergy Tests & Injections	1,007 Proced.	6.92	0.58		0.00	0.58
Well Baby Exams	425 Exams	38.98	1.38		0.00	1.38
Physical Exams (Physician)	267 Exams	36.03	0.80		0.00	0.80
Vision, Hearing, Speech Exams	251 Exams	27.00	0.57		0.00	0.57
Physical Therapy	297 Services	16.47	0.41		0.00	0.41
Maternity Deliveries	1.7 Cases	1,163.79	0.16		0.00	0.16
Maternity Non-Deliveries	1.1 Cases	167.89	0.01		0.00	0.01
Radiology	500 Proced.	52.61	2.19		0.00	2.19
Laboratory	1,983 Proced.	13.31	2.20		0.00	2.20
Outpatient Psychiatric	251 Visits	53.39	1.12		0.00	1.12
Outpatient Alcohol & Drug Abuse	25 Visits	44.84	0.09		0.00	0.09
Chiropractor	300 Visits	21.15	0.53		0.00	0.53
Podiatrist	18 Visits	51.87	0.08		0.00	0.08
Misc. Medical	653 Proced.	23.83	1.30		0.00	1.30
			\$27.61		\$0.00	\$27.61
Other						
Prescription Drugs	3,220 Scripts	\$35.51	\$9.53	\$9.58	\$2.57	\$6.96
PDN/Home Health	16 Visits	133.17	0.18		0.00	0.18
Ambulance	16 Runs	154.48	0.20		0.00	0.20
DME/Prosthetics	94 Units	99.65	0.78		0.00	0.78
Glasses/Contacts	53 Services	129.16	0.57		0.00	0.57
Alternative Medicine	27 Visits	62.76	0.14		0.00	0.14
Smoking Cessation	12 Cases	250.00	0.25		0.00	0.25
			\$11.65		\$2.57	\$9.08
Total Medical Cost			\$58.46		\$3.69	\$54.77
Value of Deductible						(8.26)
Value of Coinsurance						(3.82)
Value of Out-of-Pocket Maximum						0.36
Total Medical Cost After Deductible and Coinsurance						\$43.05

Appendix E - 2  
**State of Washington Medical Assistance Administration - Actuarial Equivalency**  
**Uniform Medical Plan (Out-of-Network Benefits)**  
**Estimated Medical Cost as of July 1, 2001**

<b>Benefit</b>	<b>Utilization Per 1,000</b>	<b>Allowed Average Charge</b>	<b>Per Member Per Month Claim Cost</b>	<b>Copay</b>	<b>Per Member Per Month Cost Sharing Value</b>	<b>Per Member Per Month Net Claim Cost</b>
Hospital Inpatient						
Medical	61 Days	\$976.82	\$4.97		\$0.00	\$4.97
Surgical	40 Days	1,614.77	5.35		0.00	5.35
Psychiatric	10 Days	426.38	0.34		0.00	0.34
Alcohol & Drug Abuse	5 Days	308.04	0.12		0.00	0.12
Maternity	3.1 Days	1,042.26	0.27		0.00	0.27
Skilled Nursing Care	1 Days	264.62	0.02		0.00	0.02
	119 Days		\$11.07		\$0.00	\$11.07
Hospital Outpatient						
Emergency Room	129 Cases	\$137.38	\$1.48	\$50.00	\$0.54	\$0.94
Surgery	52 Cases	682.63	2.98		0.00	2.98
Radiology	85 Cases	247.50	1.76		0.00	1.76
Laboratory	92 Cases	80.11	0.62		0.00	0.62
Pharmacy and Blood	159 Services	30.53	0.40		0.00	0.40
Cardiovascular	65 Services	54.39	0.29		0.00	0.29
PT/OT/ST	22 Services	40.52	0.08		0.00	0.08
Other	55 Services	97.23	0.45		0.00	0.45
Maternity Non-Delivery	0.9 Cases	311.84	0.02		0.00	0.02
			\$8.08		\$0.54	\$7.54
Physician						
Inpatient Surgery	17 Proced.	\$712.64	\$1.04		\$0.00	\$1.04
Outpatient Surgery	272 Proced.	148.63	3.36		0.00	3.36
Anesthesia	37 Proced.	237.05	0.73		0.00	0.73
Inpatient Visits	116 Visits	67.82	0.66		0.00	0.66
Office/Home Visits	2,895 Visits	25.49	6.15		0.00	6.15
Urgent Care Visits	73 Visits	40.56	0.25		0.00	0.25
Consults	79 Consults	87.03	0.57		0.00	0.57
Emergency Room Visits	96 Visits	69.90	0.56		0.00	0.56
Immunizations & Injections	1,275 Proced.	21.26	2.26		0.00	2.26
Allergy Tests & Injections	953 Proced.	6.91	0.55		0.00	0.55
Well Baby Exams	404 Exams	38.98	1.31		0.00	1.31
Physical Exams (Physician)	242 Exams	36.03	0.73		0.00	0.73
Vision, Hearing, Speech Exams	233 Exams	27.00	0.52		0.00	0.52
Physical Therapy	276 Services	16.47	0.38		0.00	0.38
Maternity Deliveries	1.7 Cases	1,163.79	0.16		0.00	0.16
Maternity Non-Deliveries	1.1 Cases	167.89	0.01		0.00	0.01
Radiology	476 Proced.	52.44	2.08		0.00	2.08
Laboratory	1,860 Proced.	13.35	2.07		0.00	2.07
Outpatient Psychiatric	230 Visits	53.39	1.02		0.00	1.02
Outpatient Alcohol & Drug Abuse	23 Visits	44.84	0.09		0.00	0.09
Chiropractor	271 Visits	21.15	0.48		0.00	0.48
Podiatrist	17 Visits	51.87	0.08		0.00	0.08
Misc. Medical	618 Proced.	23.83	1.23		0.00	1.23
			\$26.29		\$0.00	\$26.29
Other						
Prescription Drugs	3,092 Scripts	\$35.51	\$9.15	\$9.58	\$2.47	\$6.68
PDN/Home Health	16 Visits	133.17	0.18		0.00	0.18
Ambulance	16 Runs	154.48	0.20		0.00	0.20
DME/Prosthetics	94 Units	99.65	0.78		0.00	0.78
Glasses/Contacts	53 Services	129.16	0.57		0.00	0.57
Alternative Medicine	27 Visits	62.76	0.14		0.00	0.14
Smoking Cessation	12 Cases	250.00	0.25		0.00	0.25
			\$11.27		\$2.47	\$8.80
Total Medical Cost			\$56.71		\$3.01	\$53.70
Value of Deductible						(7.09)
Value of Coinsurance						(18.48)
Value of Out-of-Pocket Maximum						5.54
Total Medical Cost After Deductible and Coinsurance						\$33.67

**Appendix E - 3**  
**State of Washington Medical Assistance Administration - Actuarial Equivalency**  
**Basic Services**  
**Estimated Medical Cost as of July 1, 2001**

<b>Benefit</b>	<b>Utilization Per 1,000</b>	<b>Allowed Average Charge</b>	<b>Per Member Per Month Net Claim Cost</b>
Hospital Inpatient			
Medical	61 Days	\$976.82	\$4.97
Surgical	40 Days	1,614.77	5.35
Psychiatric	13 Days	426.38	0.45
Alcohol & Drug Abuse	5 Days	308.04	0.12
Maternity	3.1 Days	1,042.26	0.27
Skilled Nursing Care	1 Days	264.62	0.02
	122 Days		\$11.18
Hospital Outpatient			
Emergency Room	183 Cases	\$137.38	\$2.10
Surgery	52 Cases	682.63	2.98
Radiology	85 Cases	247.50	1.76
Laboratory	92 Cases	80.11	0.62
Pharmacy and Blood	159 Services	30.53	0.40
Cardiovascular	65 Services	54.39	0.29
PT/OT/ST	22 Services	40.52	0.08
Other	55 Services	97.23	0.45
Maternity Non-Delivery	0.9 Cases	311.84	0.02
			\$8.70
Physician			
Inpatient Surgery	17 Proced.	\$712.64	\$1.04
Outpatient Surgery	272 Proced.	148.63	3.36
Anesthesia	37 Proced.	237.05	0.73
Inpatient Visits	120 Visits	67.82	0.68
Office/Home Visits	3,241 Visits	25.49	6.88
Urgent Care Visits	82 Visits	40.56	0.28
Consults	81 Consults	87.03	0.58
Emergency Room Visits	136 Visits	69.90	0.79
Immunizations & Injections	1,378 Proced.	21.26	2.44
Well Baby Exams	437 Exams	38.98	1.42
Physical Exams (Physician)	280 Exams	36.03	0.84
Vision, Hearing, Speech Exams	0 Exams	0.00	0.00
Physical Therapy	309 Services	16.47	0.42
Maternity Deliveries	1.7 Cases	1,163.79	0.16
Maternity Non-Deliveries	1.1 Cases	167.89	0.01
Radiology	512 Proced.	52.67	2.25
Laboratory	2,044 Proced.	13.29	2.26
Outpatient Psychiatric	0 Visits	53.39	0.00
Outpatient Alcohol & Drug Abuse	0 Visits	44.84	0.00
Chiropractor	0 Visits	21.15	0.00
Podiatrist	0 Visits	51.87	0.00
Misc. Medical	670 Proced.	23.79	1.33
			\$25.47
Total Medical Cost			\$45.35

**Appendix E - 4**  
**State of Washington Medical Assistance Administration - Actuarial Equivalency**  
**Basic Health Program without Cost Sharing**  
**Estimated Medical Cost as of July 1, 2001**

<b>Benefit</b>	<b>Utilization Per 1,000</b>	<b>Allowed Average Charge</b>	<b>Per Member Per Month Net Claim Cost</b>
Hospital Inpatient			
Medical	61 Days	\$976.82	\$4.97
Surgical	40 Days	1,614.77	5.35
Psychiatric	10 Days	426.38	0.34
Alcohol & Drug Abuse	5 Days	308.04	0.12
Maternity	3.1 Days	1,042.26	0.27
Skilled Nursing Care	1 Days	264.62	0.02
	119 Days		\$11.07
Hospital Outpatient			
Emergency Room	183 Cases	\$137.38	\$2.10
Surgery	52 Cases	682.63	2.98
Radiology	85 Cases	247.50	1.76
Laboratory	92 Cases	80.11	0.62
Pharmacy and Blood	159 Services	30.53	0.40
Cardiovascular	65 Services	54.39	0.29
PT/OT/ST	22 Services	40.52	0.08
Other	55 Services	97.23	0.45
Maternity Non-Delivery	0.9 Cases	311.84	0.02
			\$8.70
Physician			
Inpatient Surgery	17 Proced.	\$712.64	\$1.04
Outpatient Surgery	272 Proced.	148.63	3.36
Anesthesia	37 Proced.	237.05	0.73
Inpatient Visits	114 Visits	67.82	0.65
Office/Home Visits	3,241 Visits	25.49	6.88
Urgent Care Visits	82 Visits	40.56	0.28
Consults	81 Consults	87.03	0.58
Emergency Room Visits	136 Visits	69.90	0.79
Immunizations & Injections	1,378 Proced.	21.26	2.44
Allergy Tests & Injections	1,035 Proced.	6.91	0.60
Well Baby Exams	437 Exams	38.98	1.42
Physical Exams (Physician)	280 Exams	36.03	0.84
Vision, Hearing, Speech Exams	103 Exams	25.22	0.22
Physical Therapy	253 Services	16.47	0.35
Maternity Deliveries	1.7 Cases	1,163.79	0.16
Maternity Non-Deliveries	1.1 Cases	167.89	0.01
Radiology	512 Proced.	52.67	2.25
Laboratory	2,044 Proced.	13.29	2.26
Outpatient Psychiatric	202 Visits	53.39	0.90
Outpatient Alcohol & Drug Abuse	16 Visits	44.84	0.06
Misc. Medical	670 Proced.	23.79	1.33
			\$27.15
Other			
Prescription Drugs	5,149 Scripts	\$39.97	\$17.15
PDN/Home Health	16 Visits	133.17	0.18
Ambulance	16 Runs	154.48	0.20
DME/Prosthetics	4 Units	244.64	0.08
			\$17.61
Total Medical Cost			\$64.53

**Appendix E - 5**  
**State of Washington Medical Assistance Administration - Actuarial Equivalency**  
**Basic Health Program with SCHIP Cost Sharing**  
**Estimated Medical Cost as of July 1, 2001**

<b>Benefit</b>	<b>Utilization Per 1,000</b>	<b>Allowed Average Charge</b>	<b>Per Member Per Month Claim Cost</b>	<b>Copay</b>	<b>Per Member Per Month Cost Sharing Value</b>	<b>Per Member Per Month Net Claim Cost</b>
<b>Hospital Inpatient</b>						
Medical	61 Days	\$976.82	\$4.97			\$4.97
Surgical	40 Days	1,614.77	5.35			5.35
Psychiatric	10 Days	426.38	0.34			0.34
Alcohol & Drug Abuse	5 Days	308.04	0.12			0.12
Maternity	3.1 Days	1,042.26	0.27			0.27
Skilled Nursing Care	1 Days	264.62	0.02			0.02
	119 Days		\$11.07		\$0.00	\$11.07
<b>Hospital Outpatient</b>						
Emergency Room	158 Cases	\$137.38	\$1.81	\$25.00	\$0.33	\$1.48
Surgery	52 Cases	682.63	2.98			2.98
Radiology	85 Cases	247.50	1.76			1.76
Laboratory	92 Cases	80.11	0.62			0.62
Pharmacy and Blood	159 Services	30.53	0.40			0.40
Cardiovascular	65 Services	54.39	0.29			0.29
PT/OT/ST	22 Services	40.52	0.08			0.08
Other	55 Services	97.23	0.45			0.45
Maternity Non-Delivery	0.9 Cases	311.84	0.02			0.02
			\$8.41		\$0.33	\$8.08
<b>Physician</b>						
Inpatient Surgery	17 Proced.	\$712.64	\$1.04			\$1.04
Outpatient Surgery	272 Proced.	148.63	3.36			3.36
Anesthesia	37 Proced.	237.05	0.73			0.73
Inpatient Visits	114 Visits	67.82	0.65			0.65
Office/Home Visits	3,002 Visits	25.49	6.38	5.00	1.25	5.13
Urgent Care Visits	80 Visits	40.56	0.27	5.00	0.03	0.24
Consults	79 Consults	87.03	0.57			0.57
Emergency Room Visits	117 Visits	69.90	0.68			0.68
Immunizations & Injections	1,361 Proced.	21.22	2.41			2.41
Allergy Tests & Injections	980 Proced.	6.91	0.56			0.56
Well Baby Exams	437 Exams	38.98	1.42			1.42
Physical Exams (Physician)	280 Exams	36.03	0.84			0.84
Vision, Hearing, Speech Exams	95 Exams	25.22	0.20	5.00	0.04	0.16
Physical Therapy	253 Services	16.47	0.35			0.35
Maternity Deliveries	1.7 Cases	1,163.79	0.16			0.16
Maternity Non-Deliveries	1.1 Cases	167.89	0.01			0.01
Radiology	489 Proced.	52.50	2.14			2.14
Laboratory	1,956 Proced.	13.25	2.16			2.16
Outpatient Psychiatric	197 Visits	53.39	0.88	5.00	0.08	0.80
Outpatient Alcohol & Drug Abuse	16 Visits	44.84	0.06	5.00	0.01	0.05
Misc. Medical	634 Proced.	23.80	1.26			1.26
			\$26.13		\$1.41	\$24.72
<b>Other</b>						
Prescription Drugs	4,830 Scripts	\$38.80	\$15.62	\$3.07	\$1.24	\$14.38
PDN/Home Health	16 Visits	133.17	0.18			0.18
Ambulance	16 Runs	154.48	0.20			0.20
DME/Prosthetics	4 Units	244.64	0.08			0.08
			\$16.08		\$1.24	\$14.84
<b>Total Medical Cost</b>			<b>\$61.69</b>		<b>\$2.98</b>	<b>\$58.71</b>